

26 February 1976

MEMO FOR: Morning Meeting Participants

The attached memorandum provides a good preliminary evaluation of the Senate Select Committee Final Report.

Volunteers are needed for a more thorough review of I, II and III A and B for substantive and editorial content as well as for security.



Chief, Review Staff

Review Staff: 76-0251
25 February 1976

MEMORANDUM FOR THE RECORD

SUBJECT: SSC Final Report - Draft as of 25 February 1976

The following is the outline of the current SSC draft report on intelligence activities:

- I. Introduction
- II. Constitutional and Statutory Authorities
- III. Intelligence Operations
 - A. The President's Office - NSC, OMB, PFIAB
 - B. The DCI
 - C. CIA
 - 1. Evolution
 - 2. Covert Action
 - 3. Espionage
 - 4. Counterintelligence
 - 5. The Domestic Base
 - a. Relations with Institutions
 - b. Proprietaries
 - c. Cover
 - d. Private Sector
 - 6. Intelligence Production
 - 7. Internal Oversight - IG
 - 8. Internal Oversight - OGC
 - 9. Congressional Oversight
 - D. Department of State
 - E. Department of Defense
- IV. Recommendations and Findings

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The undersigned reviewed Sections I, II, III (A, B, C), at the SSC staff offices on 25 February 1976.

I - Introduction - the basic issue is defined as how can a secret operation be reconciled with the requirements of a free, democratic society. The draft claims that:

- a. executive power has gone unchecked
- b. there has been poor oversight and accountability
- c. covert action has been used excessively
- d. the integrity of the private sector has been compromised
- e. secrecy creates duplication, waste, inefficiency, and inertia

The report focuses on the NSC, DCI, CIA, State, and DoD. It describes the intelligence process in "theory and reality". It argues that consumers do not really dictate collection requirements, and that the process is flawed by the conflicts of military and non-military needs and diluted by digressions into covert actions.

II - Constitutional and Statutory Authority - This section is incomplete. It discusses the constitutional framework and specific legislation in terms of checks and balances and the separation of executive and legislative powers. The section ends with a citation about a "zone of twilight" citing a case (Youngstown vs. Sawyer). There are no conclusions or recommendations.

III - A - The President's Office - This section describes the NSC with specific focus on the 40 Committee and the NSCIC. It concludes that the 40 Committee procedure is faulty because:

- a. there are no specific criteria for submitting operations to the committee
- b. the committee has no supervision over collection or counterintelligence operations.

- c. the committee can be and has been bypassed on sensitive operations.
- d. the annual review of covert actions is not really a searching inquiry.

The NSCIC is described as ineffective. The PFIAB is described as advisory, and the draft recommends that it remain as such.

III - B - The DCI - the draft poses some basic questions. Are the DCI's responsibilities proper and sufficient? Does the DCI have sufficient authority to carry out his responsibilities? Should Congress enact explicit or different definitions of the DCI's responsibilities and authorities? Does the DCI need more authority to direct intelligence operations? Should the DCI be head of the CIA as well?

The DCI's major roles are described as:

- a. producer of national intelligence
- b. coordinator of intelligence activities
- c. the Director of CIA.

Under (b) above, the draft discusses the role of IRAC and observes that if the DCI is known to have the President's ear, then the rest of the community listens. If he does not, they do not listen.

The draft then describes various phases of "the intelligence process". It describes "tensions" between intelligence officials and policy-makers, setting forth in detail arguments about who should prepare military NIEs, why an estimate on Cambodia in 1970 was never forwarded, the argument over the SS-9 missile, and a "capitulation" to Secretary of Defense Laird on the Soviet military posture.

The draft argues that the DCI has no authority to manage any intelligence collection activity outside CIA. It claims that only in ExCom and in presenting the national intelligence budget does the DCI have any say over the allocation of resources. The draft notes resistance to KIQs (DIA and DDO are cited) and describes KEP as rudimentary.

The draft makes the following recommendations:

1. The DCI's major responsibilities should be the production of national intelligence judgments for the President and for Congress.

2. The DCI should be given increased authority over national intelligence programs.

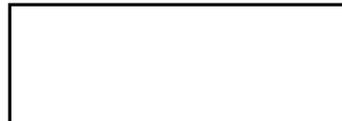
3. The DCI should coordinate all national intelligence collection and production.

4. The DCI should manage both CIA and the intelligence community (on the grounds that if he loses control of CIA's collection capability, he loses strength and power).

5. The DCI should continue to produce national intelligence estimates for the President. (The draft proposes the re-establishment of the Board of National Estimates.)

6. The specific duties of the DCI should be spelled out in legislation:

NOTE: Sections III, A and B, are to be re-drafted as unclassified. The above sections and other reports reviewed by the Agency have been "approved" by the Committee. Our review, conducted on their premises, is for security reasons. The staff is most anxious for substantive comments, too.



Walter Elder
Review Staff

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